

**TOY DISTRICT/DOWNTOWN INDUSTRIAL DISTRICT
BUSINESS IMPROVEMENT DISTRICT
BOARD OF DIRECTORS MEETING
JUNE 24, 2008
MINUTES**

BOARD MEMBERS

Present: Ernie Doizaki, Matt Klein, Larry Rauch, Michael Tansey and Paul Vert.

Absent: Richard Gardner, Donald Kanner, Howard Klein, Richard Meruelo, Thomas Payne, Mark Shinbane, William Shinbane and Charlie Woo.

STAFF: Tara Devine, Raquel King, Greg Lee, Estela Lopez and Vicky McCormick.

CONSULTANTS: Qathryn Brehm, Don Steier, Steve Gibson (Urban Place Consulting)

GUESTS: Toy District Property Owners: Pouya Abdi, Roger Cowan and Steve Lee

I. CALL TO ORDER

Vert called the meeting to order with a quorum at 12:12pm. Introductions were made around the room.

II. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS- None

III. APPROVAL OF MINUTES

Rauch made a motion to approve the May 27, 2008 minutes, and Doizaki seconded. The Board unanimously approved.

IV. FINANCE

Coelho reported that the budget was slightly over in the Toy District due to a timing difference. Coelho stated that the budget should balance by year-end, and projects cash to be at \$0 by year-end.

The budget for DID is tracking at \$35,000 under budget at year-end. Cash is projecting to be at a surplus of approx. \$50,000 at year end. DID will be reimbursed \$25,000 from the private account; \$12,000 from Toy and \$16,000 from Arts during June.

Coelho mentioned that in May, DID was under budget by \$7,000 mainly due to a timing difference with the security contract invoices.

V. RENEWAL

Gibson informed the Board and the three Toy District property owners present that the renewal timeline cannot be extended, and decisions on the budget and boundaries needed to be made immediately. Gibson informed the Board that the current term for Toy and DID expire December 31, 2009; the new term would begin January 1, 2010.

Gibson stated that final decisions on the budget, boundaries and management plan would be made at the July Board meeting. He reminded and informed the Board and guests that at the May Board meeting the Board unanimously agreed to a 10-year BID term beginning January 1, 2010.

Gibson gave a recap of the decisions that were made at the May Board meeting: Non-profit assessments would remain as is with an 85% discount; the annual assessment increase cap will be 5% and not tied into CPI; the assessment methodology will include both land and building square footage; combine Toy and DID and make it one BID, with Toy being a separate benefit zone.

Gibson then distributed a Toy District map indicating the major stakeholders in the District. Gibson stated that there are three major stakeholders that are in support of renewing the BID, while the largest stakeholder opposes renewal.

Lopez stated that CCEA held two meetings for the Toy District property owners, in which only two showed up. Notifications of

meetings had been sent via mail, email and phone calls. Out of 69 property owners, only two responses were received.

Rauch asked the Toy District property owners present for their observations. Roger Cowan (owner- 443 S. San Pedro) stated that the Toy District is in favor of maintenance services, but not security. He also stated that due to the vacancies in the District, the owners do not see the benefit in paying the assessment. He stated that property owners built trash costs in to the leases, but appeared to use CCEA as their refuse company.

Cowan stated that he is in favor of renewing the BID because it is important that the area not become run down.

Doizaki expressed that there is a concern that the Toy District will become a “donut hole” that will become overrun with vagrancy and trash. He also stated that if the Toy District property owners are not going to vote in favor of renewing, the BID should not continue paying costs associated with renewal efforts.

Lopez stated that although there are valid economic issues, there continues to be six to eight tons of trash on streets daily. Gibson added that an unsafe dirty area will only create more vacancies.

Steier stated that there are issues in the Toy District such as the illegal vendors attacking BID officers and overwhelming costs associated with trash removal in the District. Steier suggested modifying DID’s boundaries to maintain both sides of San Pedro Street within the DID BID.

Steve Lee (owns several properties in the Toy District) informed the Board that CCEA is not getting the support needed to renew the Toy District because business is very soft and property owners do not want to pay the assessment. He stated that when the BID does not renew, the major property owners will provide their own maintenance staff to clean the sidewalks. The weak

points will be along Winston Street because of the shelters and homeless feedings. Lee stated that he plans to work with the City to cite the organizations who feed the homeless. Lee added that 90% of the trash in the District comes from the merchants.

Pouya Abdi (own several properties in the Toy District) stated that the bottom line is that property owners no longer want the BID services. He stated that he spoke to his partners and they will adapt and hire their own maintenance staff.

Rauch made a motion to approve not renewing the Toy District, but to incorporate both sides of San Pedro into DID's existing boundaries, and Tansey seconded. The Board unanimously approved.

Gibson gave the Board an overview of the 2008, 2009 and 2010 budgets: 2008-\$1,445,611; 2009-\$1,488,979; 2010-\$1,697,824.

Gibson stated that there would be a slight increase (14% overall) in economic development, security and maintenance. Vert recommended a 1% increase annually for the non-profits over the term of the 10-year BID.

Gibson reported that currently the assessment is based on lot square footage only, but building square footage will be added.

Zone 1- Lot .255 x Building .2488 = assessment

Zone 2- Lot .085 x Building .0473 = assessment

Gibson reported that thirty-three property owners will pay more than \$10,000 per year.

Gibson informed the Board that CCEA is looking to see if there is sufficient support to incorporate the possible expansion areas into the BID.

VI. OPERATIONS

McCormick reported that in the Toy District the amount of trash collected decreased in May, however, graffiti increased. Bulky

items, illegal dumping and food giveaways remain the same as prior months.

McCormick reported that in the Toy District drug activity and health and welfare checks increased due to the warm weather. Blocking the sidewalk decreased.

Lopez informed the Board that San Pedro Street between 4th and 7th Streets is getting bad again. She met with LAPD Captain Wakefield to talk about the conditions on San Pedro Street. The Captain promised extra enforcement days for the area. The Captain also mentioned that because of the deployment of officers to the Staples Center for the Lakers games and demonstrations, as well as vacations, the Skid Row area suffered.

McCormick reported that in DID blocking the sidewalk, drinking in public and loitering decreased in May, however, drug activity and trespassing increased.

McCormick then gave an account for the number of people utilizing the CCEA Check-in-Center between 5:00pm-8:00pm per Vert's request. McCormick reported that during the week of June 2 thru June 7 seventy-five people (75); June 8 thru June 14 eighty-seven people (87); June 15 thru June 27 two hundred ninety one (291).

VII. LEGISLATIVE UPDATE

Tour of CCEA:

Devine reported that she and Lopez led a tour of Central City East for three planning department employees that are working on the community plans (Patricia Diefenderfer, Marianne Askew and Steven Wechsler). Devine stated that she wanted them to have a frame of reference for CCEA's districts, prior to starting their work on the Central City and Central City North Community Plans.

Deterioration of Alameda:

Devine informed the Board that her investigation had yielded additional information about the circa-2000 funds that were allocated to repave Alameda. As it turned out, the Alameda Corridor paid the City of Los Angeles \$2 million to repave Alameda Street between 25th Street and the 10 Freeway. The investment was related to the construction of the Alameda Corridor, out of recognition that Alameda would still carry heavy truck traffic, but appears that none of the funds were spent for repaving north of the 10 freeway (e.g. not within CCEA's geographical areas

Rauch stated that the (abandoned) railroad tracks are the problem, which is a federal issue. No one wants to take on the responsibility of removing the rails. Vert stated that pressure can be applied to get the rails removed.

Devine stated that CCEA has begun the process of determining if/how the argument can be raised that all of Alameda needs repair.

VII. MARKETING

Brehm reported that she and Lopez met with the DOT's marketing team to speak about making the new route a celebratory event. The new route will begin in September or October. Brehm stated that she will be meeting with the restaurants along the route for participation in the celebration.

IX. NEW BUSINESS- None

X. ADJOURNMENT- The meeting of the Board was adjourned at 1:54pm.